

# MICHIGAN AERONAUTICS COMMISSION

Minutes of Meeting  
Lansing, Michigan  
January 22, 2014

Pursuant to Section 31 of Act 327 of the Public Acts of 1945, the Commissioners of the Michigan Aeronautics Commission, created by said act, met at the Aeronautics Building, 2700 Port Lansing Road, Lansing, Michigan, on Wednesday, January 22, 2014, commencing at the hour of approximately 10:00 a.m.

## Members Present

Roger Salo, Vice Chairman  
J. David VanderVeen, Commissioner  
Rick Fiddler, Commissioner  
Russ Kavalhuna, Commissioner  
Laura Mester, Designee – MDOT  
Scott Heather, Designee – MDNR  
Capt. Mike Caldwell, Designee – MSP  
BG Len Isabelle, Designee – MDMVA  
Dave Brickey, Legal Counsel  
Mike Trout, Director

## Members Absent

Pete Kamarainen, Chairman

## Staff Present

Carol Aldrich  
Kelly Badra  
Dave Baker  
Judy Baker  
Tara Ball  
Matt Brinker  
Rick Carlson  
Kelly Crannell  
Jennifer Forbes  
Rich Hammond  
Leanne Hengesbach  
Chip Kraus  
Pauline Misjak  
Mark Noel  
Shelly Rathbun  
Ralph Sims  
Rachelle Thorn  
Mary Kay Trierweiler  
Juan Zapata

## Also Present

Larry Bowman, City of Battle Creek  
Bryan Budds, Aircraft Owners and Pilots  
Association  
Kelly Jost, C&S Engineers, Inc.  
Jim Koslosky, Prein&Newhof  
Ron Lebbon, QoE Consulting  
Jon Ogar, MDOT Office of Communications  
Bill Ropposch, Mean & Hunt  
John Strehl, Antrim County Airport



## I. OPENING REMARKS

The January 22, 2014 Michigan Aeronautics Commission (Commission) Meeting was called to order by Vice Chairman Roger Salo at 10:05 a.m.

Vice Chairman Salo welcomed all those present and immediately turned the attention over to Director Mike Trout to say a few words.

Director Trout stated that during this past week, we lost a dear friend, Jerry Rosenfeld, Jr Group LLC, Detroit. For those who knew Jerry, you had to love him. He will surely be missed. Director Trout asked for a moment of silence in honor of Jerry.

Vice Chairman Salo asked everyone to rise, and the Pledge of Allegiance was cited.

Roll call was taken. Chairman Pete Kamarainen was absent.

## II. COMMISSION BUSINESS

A. Vice Chairman Salo asked if there were any revisions to the minutes of the meeting on November 13, 2013. There were none. He entertained a motion to approve the minutes as written. The motion was moved by Commissioner Dave VanderVeen and supported by Commissioner Russ Kavalhuna to approve the minutes as written. **The motion was passed unanimously.**

B. Vice Chairman Salo asked Mr. Dave Baker to present the ten airport sponsor contracts.

1. W. K. Kellogg Airport, Battle Creek
2. Roben – Hood Airport, Big Rapids
3. Bois Blanc Island Airport, Bois Blanc Island
4. Drummond Island Airport, Drummond Island
5. Harbor Springs Municipal Airport, Harbor Springs
6. Price's Airport, Linden

In reference to Price's Airport, Mr. Baker explained that the project is payment for the new terminal building compensation claim. The contract dated February 18, 2011, was between Bender and Pociask Construction, Inc. and the State of Michigan (DTMB). The contract was for \$188,000. It appears the contractor provided a liability insurance certificate indicating the policy would expire April 10, 2011. The contractor was allowed to work after the insurance expired. A workers compensation claim filed by the widow of Ronald Utica, an employee of Bender and Pociask who died on August 3, 2011, was settled for the sum of \$95,000 through a provision in the workers compensation statute called Section 171, "shoot through," which mandates that the contractor, DTMB or "state," pays the liability of an uninsured contractor. The contractor, Bender and





Pociask, was uninsured on the date of Ron Utica's death. This caused the "state" to pay its compensation liability and seek remuneration from the contractor. The state is attempting to collect from the contractor. The Workman Compensation Fund has requested reimbursement. After much discussion, DTMB and the Michigan Department of Transportation (MDOT) have decided to split the \$95,000 payment 50-50.

Commissioner VanderVeen inquired about who owned Price's Airport. Mr. Baker verified that the State of Michigan owns the airport. Commissioner VanderVeen expressed concerns regarding the lack of accountability in the lapsed insurance.

Commissioner Laura Mester explained that MDOT's Office of Aeronautics was the project manager and DTMB was the contract manager. MDOT is working with DTMB to address the process in which the insurance was allowed to lapse. Commissioner Mester stated that there is an opportunity for recovery of these funds, but it will be an extended process. MDOT is working with DTMB to change the delegated authority for MDOT and the Office of Aeronautics to administer the contract, as well as act as the project manager. MDOT negotiated the deal and agreed to settle with DTMB, in the interest of making sure that the family received the workers compensation claim.

There were no more questions or comments regarding Price's Airport. Mr. Baker continued presenting the sponsor contracts.

7. Mackinac Island Airport, Mackinac Island
8. Mackinac Island Airport, Mackinac Island
9. Owosso Community Airport, Owosso
10. Saginaw County H.W. Browne Airport, Saginaw

Vice Chairman Salo asked if there were any further comments or questions on the ten sponsor contracts. Hearing none, he entertained a motion to approve the contracts. The motion was moved by Commissioner VanderVeen and supported by Commissioner Kavalhuna to approve the contracts. **All voted in favor.**

Mr. Baker presented the three supplemental transfers: Ann Arbor Municipal Airport, Ann Arbor; W.K. Kellogg Airport, Battle Creek; and Fremont Municipal Airport, Fremont. He explained the process for the transfers. There were no questions on the supplemental transfers. **No Commission action is required.**

Vice Chairman Salo thanked Mr. Baker for his report.

C. Vice Chairman Salo asked Mr. Rick Hammond to present the Air Service Grants.

Mr. Hammond began by explaining that there are two grants under consideration. These are the first requests received for the 2014 funding.



The first request is for airport awareness funding for the Willow Run Airport in Ypsilanti. Available funds for this year on the 90/10 percent basis are \$15,000 state share, \$1,667 local share, with a grant total of \$16,667 to be used for promotional media.

The second request is for capital improvement and equipment funding for the Delta County Airport in Escanaba. Available funds for this year on the 90/10 percent basis are \$7,000 state share, \$700 local share, with a grant total of \$7,700 to be used for new seating in the secure passenger area of the airport terminal building.

Vice Chairman Salo asked if there were any further comments or questions on the Air Service Grants. Hearing none, he entertained a motion to approve the grants. The motion was moved by Commissioner Rick Fiddler and supported by Commissioner Len Isabelle. **All voted in favor.**

### III. REPORTS

#### A. MAC Director's Report

Vice Chairman Salo asked Director Trout to give his report.

Director Trout welcomed everyone and began by stating that he will touch on a couple of items in review of 2013, as well as look ahead to the new year. He will talk about employee recognitions and results of the Employee Engagement Survey.

Director Trout spoke about Good Government in Action as a major efficiency for 2013. Performance based on measureable goals has been a big deal for the State of Michigan, MDOT, and Office of Aeronautics. Good Government in Action is basically what we do to improve ourselves and comes in the form of efficiencies and innovations. Last year, MDOT's Wildly Important Goal (WIG) was to improve customer satisfaction. The Office of Aeronautics' WIG was to reduce the execution time of sponsor contracts by 15 percent. That goal was met three times over. The Office of Aeronautics is currently working on selecting another goal for 2014. MDOT's overall goal for 2014 is to improve customer satisfaction from 70 to 80 percent by way of direct customer interaction.

One of the other great efficiencies for the state is the Upper Peninsula Air Shuttle. Rick Carlson and his team have done a great job in evaluating the need and providing service. The shuttle has saved the state tens of thousands of dollars in time and direct costs.

Director Trout spoke about the AeroPM and Airport System Manager projects, in addition to electronic flight charts as being major accomplishments in 2013.

He talked about challenges for 2014, which includes funding, state airports, NextGen/UAS, meeting customer needs, as well as employee needs.

Director Trout shared information from the Employee Engagement Survey Report and spoke about areas where Aero fared well, in addition to areas to improve.





He spoke about upcoming events:

- MBAA Education Initiative (January 22)
- Great Lakes Aviation Conference (February 14-15)
- Michigan Airport Conference (February 19-20)
- FAA Congressional Briefing (March 11)
- MBAA Legislative Update (March 18)

Director Trout recognized and congratulated the following employees:

- Anu Taneja, Programming Section, 15 years of state service.
- Kelly Badra, Planning and Development Section, 10 years of state service.
- Mike Soper, Transport and Safety Section, 5 years of state service.
- Tom Smith, Transport and Safety Section, 5 years of state service.

Director Trout recognized Juan Zapata, Aviation Specialist, Transport and Safety Section, with a Distinguished Service Award. He invited Juan to the podium and presented the award. The following inscription was read:

*"For recognition of your dedicated leadership in the successful operation and development of Canton-Plymouth-Mettetal Airport."*

Director Trout stated that for the past 13 months, Juan has taken responsibility of a situation that was somewhat out of control. We lost an operator at Plymouth Airport, and Juan stepped in and took over. Financially, from a tenant's standpoint and from a facility/infrastructure standpoint, Plymouth Airport is an example of how an airport should be run, and it is due to Juan's hard work. Director Trout congratulated and thanked Juan for an outstanding job.

Vice Chairman Salo thanked Director Trout for his report.

Commissioner Kavalhuna commended Director Trout and the Office of Aeronautics for the success of MDOT'S Upper Peninsula Air Shuttle. He also commended staff on a job well done in the participation of the Employee Engagement Survey, as well as for their dedication and commitment in doing their jobs well. Commissioner Kavalhuna commented about the possibility of obtaining feedback on how the Commission is doing its job. He would be open to hear if there is anything the Commission could be doing to be more efficient.

Commissioner Scott Heather stated that the Department of Natural Resources uses MDOT's flight services, both shuttle and scheduled flights, and complimented Director Trout and Rick Carlson on how employees of the Office of Aeronautics are customer focused and do an outstanding job. Commissioner Heather stated that staff is



extremely polite and professional, and he views Aero services to be of great assistance, saving him and his department time and dollars.

Vice Chairman Salo commented that in his past experience with tracking company flights on a daily basis and determining those costs versus costs for travel via airlines (considering lost time, salaries, etc.), company flights always saved money, with the exception of a couple of small flights. He stated that when traveling from Lansing to the Upper Peninsula, using the shuttle saves time and money for the department and the State of Michigan.

- B. Vice Chairman Salo asked Commissioner Russ Kavalhuna to give his report on the Commercial Air Service Committee.

Commissioner Kavalhuna began his report by stating the committee met in December. The Air Service Committee was formed to provide recommendations designed to improve the Governor's infrastructure dashboard measure of increasing airline passenger service.

In reference to the air service consultant selection process, the consultant request for proposals has been posted on MDOT's Web site and is also being advertised externally. In approximately 30 days, proposals will be due. As the successful candidate will be heavily involved in the update of the Policy Plan for Michigan Air Service and other work tasks, the committee members will be actively involved in the consultant selection process, which is expected to be complete by mid-March, 2014.

After consultant selection, the successful candidate will meet with the committee members to further refine deliverables and objectives. At this stage, it is likely that additional individuals from the airport and airline industries may be invited to share their perspectives on the state's role in air service development.

A date for the next committee meeting is largely dependent on the progress of the consultant selection process, but will likely occur at the end of February, 2014.

Vice Chairman Salo thanked Commissioner Kavalhuna for his report.

#### **IV. COMMISSIONER COMMENTS**

Vice Chairman Salo asked the commissioners if they wished to make any comments.

Vice Chairman Salo inquired whether the Office of Aeronautics has heard anything further from the Federal Aviation Administration (FAA) regarding aircraft use. Director Trout stated that information was provided to FAA approximately six months ago. It is in the Chicago region office, and no feedback has been received. Vice Chairman Salo recommended that the Office of Aeronautics pursue obtaining final comment and closure from FAA.





There were no other comments.

## V. PUBLIC COMMENT

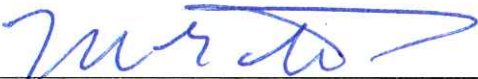
Vice Chairman Salo asked if anyone wished to make a public comment.

There were no public comments.

## CLOSING

The next meeting will be a joint meeting with the State Transportation Commission scheduled for Thursday March 20, 2014, at the Aeronautics Building in Lansing. The joint meeting will begin at 9:00 a.m., and the Michigan Aeronautics Commission meeting will begin at 10:00 a.m., or immediately following.

Vice Chairman Salo adjourned the meeting at 10:50 a.m.

  
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Michael G. Trout, Director

  
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Roger Salo, Vice Chairman

Dated 3-20-14\_\_\_\_\_

